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DEPARTMENT OF STATE

INFORMATION MEMORANDUM

March 18,

SECRET/NODIS

To: The Secretary

Through: The Under Secretary

Joseph J. Sisco From: NEA

SRG Meeting on South Asia - March 17

I have been informed that at the SRG meeting today, attended by the Under Secretary and Chris Van Hollen, the following matters were discussed and actions taken:

1. Bangladesh Recognition

The President has under active consideration your memorandum recommending that we recognize Bangladesh about March 25. After a decision has been reached, the White House will give us about one week's advance notice so that we can inform Bhutto and other interested countries, possibly including the Chinese. Our impression is that some decision will be reached about the end of this month.

2. Bhutto's offer of military facilities

Dr. Kissinger was informed that the White House would be receiving a memorandum on this subject from you to the President. was some feeling that we should keep our options open and inform Bhutto that we were "studying" wis offer.

SECRET/NODIS

HODIS REVIEW

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Haviewed by:

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NEA; C. Van Hollen: gm

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3. Relief for Bangladesh

The key issue revolved around whether the previously agreed 33 1/3% U. S. contribution should be measured against (1) contributions of all other countries, estimated at about \$273 million, more than 1/2 of which included the bilateral contributions from India and the USSR or (2) only contributions made to the United Nations, in which case the total amount would be about \$60 million. Maury Williams specifically requested \$35 million in cash to be contributed to the UN. Mr. Irwin supported this request. Dr. Kissinger said that by next Tuesday he would give us an answer both on the formula for the U. S. contribution as well as on the specific request for \$35 million.

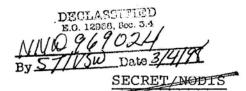
4. Contribution for Refugee Return

Maury Williams reported that the President's Advisory Committee had recommended that the United States contribute about \$20 million in response to the UN High Commissioner for Refugees' appeal to pay for the residual cost of the refugees who previously were in India but who have now returned. Dr. Kissinger said he would try to get an answer from the President on this but he believed the answer would probably be negative.

5. Military Supply

Dr. Kissinger agreed with the State recommendation that we continue the arms embargo against both Pakistan and India for the time being. He also agreed to get a decision on our recommendation that we release to India and Pakistan certain items on the Munitions List for non-military use. This would enable us to meet a Pakistan request for \$871,000 worth of meteorological equipment and an anticipated Indian request for more than \$2 million worth of inertial guidance systems for Boeing 747's.





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3.

6. Commerce Licenses

The White House has approved our earlier recommendation that we lift all embargoes on the issuance of Commerce licenses for both India and Pakistan.

7. Lifting the AID Suspension Against the Indians

Dr. Kissinger expressed the view that the President would be reluctant to lift the \$87.6 million AID suspension against the Indians until we have a better idea of Indian attitudes on issues of interest to the United States.

8. Dialogue with the Indians

It was generally agreed that we should move into more of a dialogue with the Indians with a view to probing their intentions. Among the subjects suggested were (a) Indian willingness not to press excessively humiliating claims against Pakistan during the forthcoming Indo-Pakistan talks; (b) Indian attitudes toward the return of the 90,000 POW's and (c) India's relationship with the USSR.

Mr. Irwin expects to call in Ambassador Jha on Wednesday.

SECRET/NODIS

Drafted: NEA:

NEA:C.Van Hollen:gmd

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